

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 4676-01
BILL NO. HB 2112
SUBJECT: Veterinarians
TYPE: Original
DATE: March 27, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$50,000)	(\$100,000)	(\$150,000)
Veterinary Medical Board	(\$2,666)	(\$2,728)	(\$2,792)
Total Estimated Net Effect on <u>All</u> State Funds	(\$52,666)	(\$102,728)	(\$152,792)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture-Animal Health Division**, the **Coordinating Board For Higher Education** and the **Office of State Treasurer** assume their agencies would not be fiscally impacted by the proposed legislation.

Officials from the **University of Missouri** assume the proposal would result in no additional cost to the university.

Officials from the **Office of Administration - Division of Budget and Planning** assume they would not be fiscally impacted by the proposed legislation. However, they noted that there could be impact on total state revenue.

Officials from the **Office of the Secretary of State** assume that based on experience with other boards, the rules, regulations and forms issued by the Missouri Veterinary Medical Board could require as many as approximately 12 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$22.50. The estimated cost of a page in the *Code of State Regulations* is \$26.50. Therefore, the estimated costs for FY 01 are \$723.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Officials from the **Department of Economic Development-Professional Registration (DED-PR)** assume the following:

- ▶ The majority of contracts entered into would be for a five year period.
- ▶ The student loan repayment would be appropriated from General Revenue and placed in the Large Animal Veterinary Medicine Loan Repayment Program Fund. The cost for student loan repayment would be up to \$50,000 the first year for five participants, \$100,000 the second year for 10 participants, and \$150,000 the third year for 15 participants. The annualized fiscal impact for this fiscal note would be \$150,000. The maximum repayment would be up to \$250,000 per year for 25 participants. This does not include expenses incurred to administer the program.
- ▶ The additional responsibilities and expenses, with the exception of one additional board meeting expenses, that would be incurred to administer the legislation could be absorbed by existing staff. However, it could be necessary to add additional FTE in the future to

ASSUMPTION (continued)

- ▶ handle the increase in workload that would occur as the program grows.
- ▶ The board would need to establish guidelines for ensuring the participants of the program adhere to their contractual agreement. It is assumed that existing staff could absorb the additional duties required to ensure proper contractual agreement. However, additional FTE could be necessary as the program grows.
- ▶ One additional board member meeting per year would be needed in order to determine five qualified individuals for the program and the area of need the five individuals would practice. The six board members appointed would each be paid \$50 per diem.
 $6 \text{ board members} \times \$50 \text{ per day} \times 2 \text{ days} \times 1 \text{ additional meeting} = \600 per year.
- ▶ The additional board meeting per year would have the following travel expenses. The total cost would be \$2,066.

Mileage: It is estimated that each board member would drive an average of 240 miles round trip x 1 additional meeting per year x 6 members x \$.285 per mile = \$410.

Lodging: It is estimated that each board member would have additional hotel costs of \$75 per night x 2 additional night per year x 6 members = \$900

Meals: Meal costs are estimated at \$35 per day x 2 days x 1 additional meeting per year x 9 individuals (includes the AG Representative, Principal Assistant and the Clerk IV) = \$630. In addition, a dinner meal for the evening prior to the meeting would cost \$21 x 1 meeting x 6 members = \$126. Therefore, total meal expense would be \$756.

The Department of Economic Development-Professional Registration has included the cost of loan repayments in the General Revenue Fund. The proposal states that moneys in the Large Animal Veterinary Medicine Loan Repayment Program Fund would be used by the Missouri Veterinary Medical Board to provide loan repayments. The **Oversight Division** assumes the income to the Large Animal Veterinary Medicine Loan Repayment Program Fund would be minimal since the income would be from a breach of contract between the individual and the board.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Cost-DED-Professional Registration

Loan Repayments	<u>(\$50,000)</u>	<u>(\$100,000)</u>	<u>(\$150,000)</u>
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VETERINARY MEDICAL BOARD FUND

Board Meeting Expenses	<u>(\$2,666)</u>	<u>(\$2,728)</u>	<u>(\$2,792)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses located in areas of defined need as designated by the Missouri Veterinary Medical Board could benefit from the services of a large animal veterinarian to improve the client-doctor ratio in the area.

DESCRIPTION

This proposal creates the Large Animal Veterinary Medicine Loan Repayment Program. The Missouri Veterinary Medical Board is to designate counties, communities, or sections of rural areas as areas needing large animal veterinary services. A veterinary student meeting certain requirements may enter into a contract with the board for repayment of educational loans. If the student agrees to serve 5 years or more in a board-designated area, the board may pay up to \$10,000 for each year the student agrees to serve in the area. Provisions for failure of the student to meet contractual obligations are included in the proposal. The board may authorize repayment for no more than five veterinarians each year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Coordinating Board For Higher Education
Department of Economic Development-Professional Registration
Department of Agriculture-Animal Health Division
Office of Administration - Division of Budget and Planning
Office of Secretary of State
Office of State Treasurer
University of Missouri

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
March 27, 2000